OPERATIONAL RISK MANAGEMENT

Indoctrination Training

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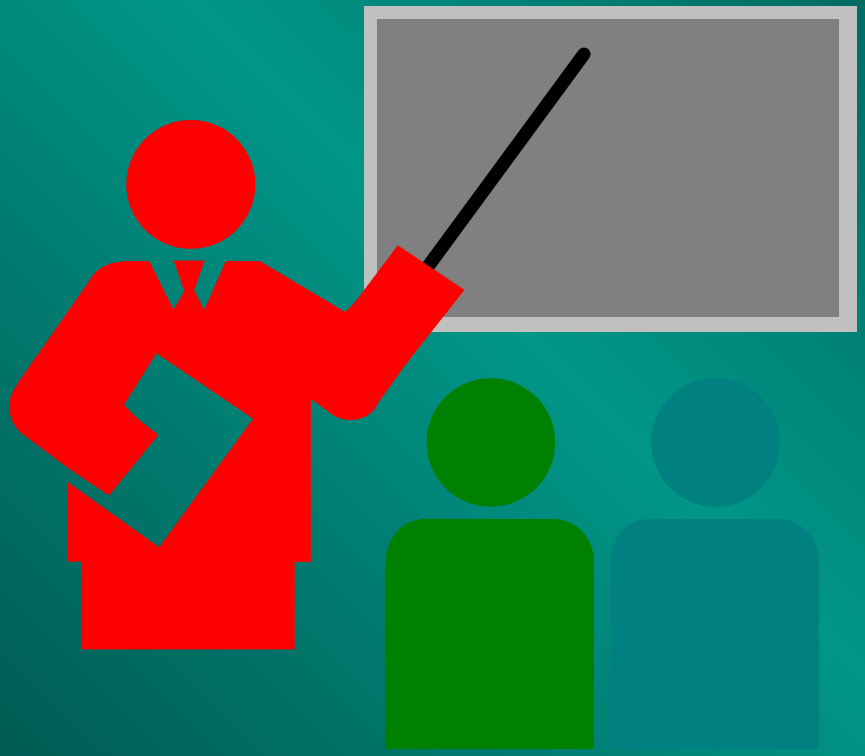
* ORM Terms
* 5-Step ORM Process
* Causes of Risk
* 4 ORM Principles
* Benefits of ORM
* 3 Levels of ORM
* Time-critical ORM

ORM Terms



ORM Terms

Hazard:

Note: Background is a photo of a DDG underway in heavy seas.

A condition with the potential to cause personal injury or death, property damage, or mission degradation.

ORM Terms

Risk:

An expression of possible loss in terms of severity and probability.

Note: Background is a photo of a CH-46 helo.

ORM Terms

Severity:

The worst credible consequence which can occur as a result of a hazard.

ORM Terms

Probability:

The likelihood that a hazard will result in a mishap or loss

Hazard	Risk
Bad Weather.....	Serious Injury to Topside Personnel Likely to Occur Within a Short Period of Time
Forklifts..... Moving Cargo	Driver Error Resulting in a Serious Injury May Occur in Time
Civilian Boats.. In an Exercise Area	Unlikely Chance that Civilian Boats Would Sustain Grave Damage during a GUNEX

ORM Terms

Risk Assessment:

The process of detecting hazards and assessing associated risks.

ORM Terms

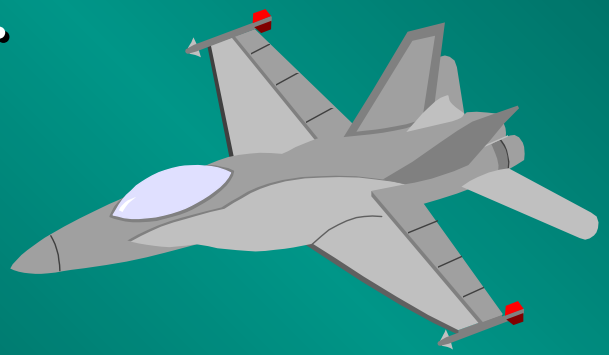
Control:

A method for reducing risk for an identified hazard by wering the probability of occurrenc decreasing potential severity, or both.

ORM Terms

Operational Risk Management:

The process of dealing with risk associated with military operations, which includes risk assessment, risk decision making, and implementation of effective risk controls.



Operational Risk Management Process

1. Identify Hazards
2. Assess Hazards
3. Make Risk Decisions
4. Implement Controls
5. Supervise

Operational Risk Management

- A Decision Making Tool
- Increases Ability to Make Informed Decisions
- Reduces Risks to Acceptable Levels

Operational Risk Management

Goal:

To optimize operational capability and readiness by managing risk to accomplish the mission with minimal loss.

Causes of Risk

* Change - The “Mother” of Risk
  * Resource Constraints
  * New Technology
* Complexity
* Stress

Causes of Risk
(Cont.)

* Societal Constraints
* Environmental Influences
* Human Nature
* Speed/Tempo of Operation
* High Energy Levels

Four ORM Principles

1. Accept risk when benefits outweigh the cost.
2. Accept no unnecessary risk.
3. Anticipate and manage risk by planning.
4. Make risk decisions at the right level.

ORM vs. Non-standard Approach

ORM	Non-standard
ystematic	Random, Individual-Depen
Proactive	Reactive
Integrates All Types of Risk Into Plan	Safety As After-thought Once Plan is Done
Common Process/Terms	Non-standard
Conscious Decision Based on Risk vs. Benefit	“Can Do” Regardless of Risk

The Benefits of ORM

- Reduction in Mishaps
- Improved Mission Effectiveness

Operational Risk Management

Levels of Application

1. Time-critical - On the run consideration of the 5 Steps
2. Deliberate - Application of the complete 5-Step Process
3. In-depth - Complete 5-Step Process with Detailed Analysis

ORM PROCESS

Time-Critical ORM

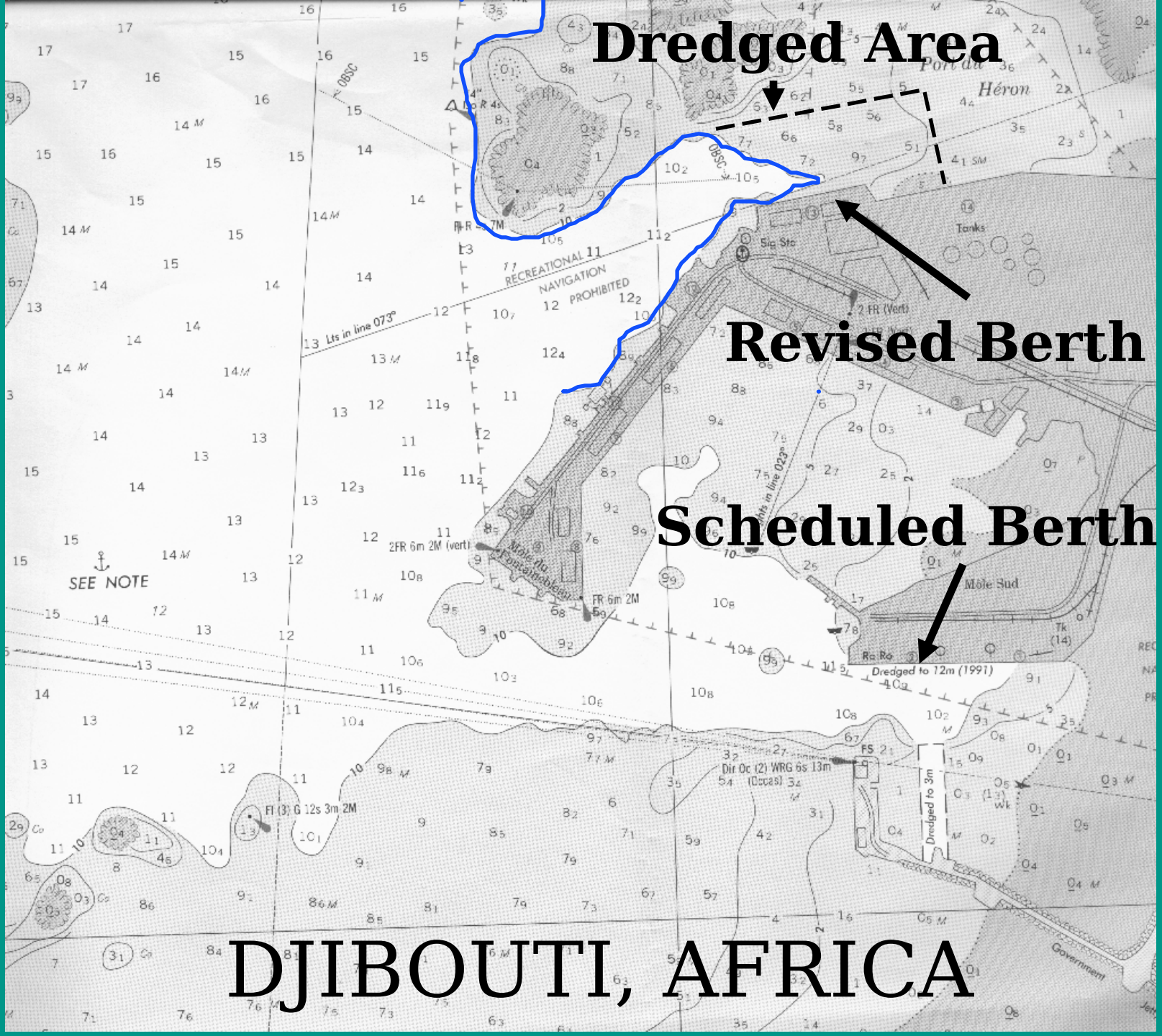
1. Identify Hazards
2. Assess Hazards
3. Make Risk Decisions
4. Implement Controls
5. Supervise

Time-critical ORM Examples

- As changes occur during a mission/operatio
  - Pre-fire brief
- Maintenance shift turn-over brief
- During execution of hazardous weather bill
  - Short notice UNREP

Class Exercise

Time-critical ORM Demonstration


Dredged Area
Revised Berth
Scheduled Berth
DJIBOUTI, AFRICA
RECREATIONAL
NAVIGATION
PROHIBITED
Lts in line 073°
Lts in line 023°
SEE NOTE
2FR 6m 2M (vert)
FR 6m 2M
Môle du Commerce
Môle Sud
Dredged to 12m (1991)
Dredged to 3m
Dir Oc (2) WRG 6s 13m
Fl (3) G 12s 3m 2M
Sig Sta
Tanks
Ro Ro
Government